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MEMORANDUM OF CONVERSATION

DATE: Saturday, January 8, 1977
 1:15 p.m. - 2:40 p.m.

PLACE: The Secretary's Dining Room,
 8th Floor of the Department of State

PARTICIPANTS: Ambassador Huang Chen,
 Chief of PRC Liaison Office
 Mr. Tsien Ta-yung,
 (Counselor at Liaison Office)
 (No. 3 man)
 Mr. Hsu Shang-wei,
 (Interpreter)

Dr. Henry A. Kissinger,
 Secretary of State
 Mr. Cyrus Vance,
 Secretary of State-designate
 Mr. Philip Habib,
 Under Secretary for Political Affairs
 Mr. Winston Lord,
 Director, Policy Planning Staff

[Secretary Kissinger introduced Secretary-designate Vance to the Ambassador and the other Chinese officials. The three men walked over to the waiting photographers for a picture-taking session and some brief exchanges:

Secretary Kissinger: As you know the opening to China was one of the most important initiatives of the recent period. We have always attached the greatest importance to the normalization of relations with the People's Republic of China and to the various statements we have jointly made about our concerns with respect to hegemony and our commitment to improving our relations and to normalize our relations. I have had the opportunity to speak to the Secretary-designate about this and he suggested that we might explore these subjects in a conversation with the Chief of the Liaison Office, my

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old friend Ambassador Huang Chen, who incidentally speaks perfect English but won't admit it. This is why we are meeting here.

Ambassador Huang: Thank you (in English). Happy new year!

QUESTION: I wonder if we could ask Mr. Vance a question about how he envisages the Carter Administration's approach to a normalization of relations with China.

Mr. Vance: Insofar as our bilateral relations with China are concerned, they continue to be guided by the Shanghai communique. I think that's all I really should say at this moment.

QUESTION: The President-elect said that he would send you on various missions, Mr. Vance. Do you anticipate going to Peking?

Mr. Vance: At some time I would say I probably will be going to Peking. I have no definite dates for anything like that now.

QUESTION: Could we ask the Chinese Ambassador a question, please, about what initiative the Chinese may take to bring about the normalization of Sino-American relations?

Ambassador Huang: As far as our policy and position is concerned, our leaders have several times talked with your leaders during their conversations, several times. Our position and policy is constant. My old friend, Dr. Kissinger, he is very clear about our policy and position. I believe Mr. Vance is also clear about our policy and position.

QUESTION: I wonder if we could ask another question of the Ambassador. We keep on hearing various stories about military coup d'etat, coups d'etat, and all kinds of changes in China. What exactly is happening?
(Laughter)

Secretary Kissinger: (to the Ambassador) Mr. Ambassador, he asks me worse questions.

Ambassador Huang: (laughing) Rumors. Rumors.

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This concluded the exchange with the press as the Chinese and American officials moved into the dining room for lunch at 1:25.]

Secretary Kissinger: Whenever you go to Peking, Cy, you will lose your trim figure.

Ambassador Huang: The year before, in 1975, Mr. Vance did visit China once. At that time I was in Peking, but I didn't have the opportunity to meet you.

Mr. Vance: Yes, I know. The food was superb when I was in China, and in fact I didn't gain too much weight in China.

Ambassador Huang: How long were you in China?

Mr. Vance: About three weeks. (He then gave a run-down of his itinerary, including Peking and Shanghai. The Secretary joked about the fact that hors d'oeuvres were being served at the table.)

Secretary Kissinger: I've been explaining the processes here which are . . . sooner or later . . . Mr. Habib is the senior Foreign Service Officer. I'm sure Cy comes here with the illusion that he will run the Department, but sooner or later they'll get him. (Laughter)

Mr. Vance: I'm forewarned. I've known him before and worked with him before.

Secretary Kissinger: Every once in a while the Department needs a cultural revolution. (Laughter)

Mr. Habib: The Secretary always makes fun of the Foreign Service, but no Secretary has ever made more use of it than he has, so we are very grateful.

Secretary Kissinger: That's true.

Secretary Kissinger: Speaking about food in China, the first time I went there on my secret trip Premier Chou En-lai showed me a stove which cooked peking duck in the great Hall of the People, a tremendous building. The stove is very small and uses a special kind of wood.

Mr. Vance: I didn't see it when I was there.

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Ambassador Huang: The whole dinner was served with parts of duck only.

Secretary Kissinger: That's right. It was an all-duck dinner. It was Saturday lunch? (to Lord)

Mr. Lord: Yes, it was after the tour of the Forbidden City.

Secretary Kissinger: We arrived on a Friday and held meetings in the afternoon and evening with the Prime Minister. On Saturday morning we toured the Forbidden City, had a brief meeting, and then the peking duck lunch. Then when we were well-fortified the Prime Minister made a very revolutionary speech to us about "great disorder under heaven". (Laughter)

(Mao tai was then served)

We negotiated the Shanghai Communique, Cy, usually in the evenings after banquets and after a few mao tais, and I did most of the negotiating in Chinese. (Laughter)

Ambassador Huang: Some of the wordings in the Shanghai communique were created by you! (Laughter)

Secretary Kissinger: What impressed the Chinese most about what I have even done was the formula we discussed about how to express the idea of one China. We came up with a formula that the Chinese on both sides of the Taiwan Straits maintain that there is only one China, and the US is not disposed to challenge that position.

Ambassador Huang: In the Shanghai Communique, as you mentioned, the US recognized that there was only one China and that Taiwan is only a part of China. So from that time the United States Government already knew the Chinese Government policy that we are firmly opposed to any plot of creating two Chinas, or one China-one Taiwan, or one China-two governments.

Secretary Kissinger: Perhaps I could sum up what I told Mr. Vance about our relationship and then the Ambassador could see if I have correctly stated it. First, I told Mr. Vance that I've always believed that

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our relationship with the PRC was one of the most important initiatives that was undertaken and one of the most important elements of international equilibrium. We expressed this in the Shanghai Communique and in other communiques -- our mutual concern with respect to hegemony, with respect to the dangers of hegemony in the world. And we therefore developed the practice of informing the PRC quite fully, or fully, about our planned discussions with other key countries. Chairman Mao, in several very extensive conversations with me and in two conversations with American Presidents, elaborated the Chinese point of view on the international situation which on many key points was parallel to our own.

Ambassador Huang: He met five times with you.

[Chairman Mao and the Secretary]

Secretary Kissinger: We'll wait until they are finished (the waiters). These are all old friends (gesturing toward the Chinese) whom we have known now on every trip one way or another.

Mr. Vance: How many trips have you made there, Henry?

Secretary Kissinger: Nine.

Ambassador Huang: And you met the late Chairman Mao five times. Our Chairman Mao had maybe the longest talks with the Doctor, so many times, on elaborating the issues regarding the international situation, on bilateral relationship and also our views on major international issues. And we talked about our common points, with the main common point being we are against the Polar Bear (Laughter).

Mr. Vance: Yes.

(There were then brief informal mao tai toasts to old friends and new friends.)

Secretary Kissinger: With respect to the Taiwan issue, we have confirmed our commitment to the principle of one China, and we have on a number of occasions made clear that we would not support a two-China policy or a one China-Taiwan policy, or the various formulations that the Ambassador correctly

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mentioned. We have not found, while we were here, the exact formula (in response to the interpreter's question, he repeated the "precise formula") to complete the process but we have always understood that it's a process that needed to be completed.

Ambassador Huang: Regarding this issue, our position is very clear. We mentioned three points -- sever the diplomatic relationship with Taiwan, withdraw US troops from Taiwan, and abrogate the Treaty. Since Dr. Kissinger and Mr. Vance are both old friends, and since Mr. Vance also visited China the year before, so today I would just like to frankly mention one point. Recently we noticed that in the recent issue of Time magazine which carried Mr. Carter's conversation with that magazine, in his conversation he openly called Taiwan "China" and even in the same breath put Taiwan on a par with the People's Republic of China. And we think this kind of remark runs counter to the principles of the Shanghai Communique.

Mr. Vance: As far as President Carter is concerned, let me assure you that he stands firmly behind the implementation of the Shanghai Communique as the guiding principle which should govern our bilateral relations.

(Mr. Habib was talking to the Secretary as the Chinese waited, and the Secretary pointed out that he was, as always, getting his instructions from Mr. Habib. Laughter.)

Ambassador Huang: Frankly speaking, the Shanghai Communique constitutes the foundation of the present Sino-US relationship and only if both sides strictly observe all the principles of the Shanghai Communique, then relations between our two countries can continue to be improved. Any action which goes back on the principles of the Communique will result in harming the Sino-US relationship.

Mr. Vance: Let me say that I fully accept the principle of one China.

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Secretary Kissinger: Now we have settled this. We will go on to settle all the other issues. (Laughter)

Ambassador Huang: So we have no difficulty on this point.

Secretary Kissinger: (to Vance) During the negotiations with the North Vietnamese, and you know what that can do to one's nerves...

Mr. Vance: Yes indeed, and one's indigestion.

Secretary Kissinger: ... the Ambassador was kind enough to invite me to the Embassy in the evenings and calm me down and give me a Chinese meal. (Laughter)

Ambassador Huang: This is what I should do. I'm sure that each time you put some weight on.

Secretary Kissinger: Yes. We will see how my successor handles this problem.

Mr. Vance: Which problem?

Secretary Kissinger: The weight problem.

Mr. Vance: If all the food is this good, I will not handle the problem very well.

(There was some discussion among the Chinese during which Mr. Blumenthal's name arose.)

Secretary Kissinger: Blumenthal. He was a Chinese citizen. Didn't he live in China?

Mr. Vance: Yes, In Shanghai. He still speaks Chinese.

Ambassador Huang: He can speak Shanghai dialect. He spent several years in China. But unfortunately he was put into a prison by the Japanese.

Secretary Kissinger: Oh, really?

Ambassador Huang: Not long ago I met a very good friend, an old comrade of both of you, David Rockefeller.

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Secretary Kissinger: Yes.

Mr. Vance: Yes, he's going to China.

Ambassador Huang: He introduced not only Brzezinski but Mr. Vance and Mr. Blumenthal. We were already very acquainted with Mr. Kissinger. And he told us you all belonged to the Trilateral Commission.

Mr. Vance: Right.

Secretary Kissinger: Not I.

Ambassador Huang: Mr. Vance, you are Chairman of the Board of the Rockefeller Foundation?

Mr. Vance: Yes, I was.

Secretary Kissinger: The Trilateral Commission was a government in exile. So now I'm thinking of going there, with all good wishes to Mr. Vance.

Ambassador Huang: Mr. David Rockefeller will arrive in China on January 21.

Mr. Vance/Secretary Kissinger: Yes.

Mr. Vance: I saw him the other night, and he told me he was going to China after his trip to Japan. Speaking of the Trilateral Commission, they have a meeting starting today and as they have sent all the people of the Trilateral Commission into the new Administration there is practically no one left to meet together in Tokyo.

Secretary Kissinger: Cy, I've always found that I could tell our Chinese friends the main lines of our policy -- I cannot say they always agreed to every last step. It was helpful to our mutual understanding to have this kind of frank dialogue.

Mr. Vance: Well I would hope very much that we would continue this kind of frank dialogue.

Ambassador Huang: We would like to do the same.

(There was some discussion among the Chinese which was not translated.)

Mr. Vance: Could I say that President Carter has asked me to convey his good wishes to Chairman Hua

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and to emphasize the fact that we consider of great importance the continuing relationship between the US and the PRC.

Ambassador Huang: I will convey his kind regards to Chairman Hua, and also I would like to ask you to convey to Mr. Carter our best regards.

Mr. Vance: Thank you, I shall.

Ambassador Huang: (to the Secretary) I learned from the newspapers that you have got a lot of invitations about your future. One recent piece of news is that the Chairman of CBS will soon resign, and he will maybe ask you to succeed him. How true is that?

Mr. Vance: Is that true, Henry?

Secretary Kissinger: The Chairman of CBS is a very good friend of mine, and anyone who knows him must realize that the idea of his resigning is inconceivable to him. Is it conceivable to you? (to Vance)

Mr. Vance: No.

Secretary Kissinger: He is a very good friend, and we meet often socially. I would like to be chairman of something. (Laughter)

Mr. Vance: That would be fine. I would have someone to complain to.

Secretary Kissinger: It's a title that I like. (Laughter)

Mr. Habib: You could be Chairman of the Central Committee.

Ambassador Huang: Chairman is like President.

Secretary Kissinger: But our constitution prevents me from becoming President.

Ambassador Huang: It reminds me that during the talks with President Nixon you told Chairman Mao about your constitution.

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Secretary Kissinger: That's correct. The Chairman took a very kind interest in my political future.

Ambassador Huang: And you did say that Nancy Tang could be President.

Secretary Kissinger: (to Vance) Do you know Nancy Tang?

Mr. Vance: Yes.

Secretary Kissinger: She was born in Brooklyn and she has every qualification that I don't have.

Ambassador Huang: (to Vance) Have you met Nancy Tang, the Deputy Director of our Office of American and Oceanic Affairs?

Mr. Vance: Yes. She acted as interpreter for us when I met with the Vice Minister of Foreign Affairs and the acting Premier.

Ambassador Huang: Vice Foreign Minister Han Nien-lung.

Mr. Vance: That's right.

(There were then informal mao tai toasts, including the Ambassador's wish that the Secretary become a "Chairman". Mr. Vance and the Secretary then discussed Mr. Paley's likely reaction to the thought of the Secretary's taking his place. They also agreed that Mr. Paley would be a very good man to invite to China some day.)

Mr. Lord: (to the Secretary) The Ambassador is just back from a trip to Houston and New Orleans.

Ambassador Huang: It was a relatively short trip. I was invited by some companies which have a trading relationship with China.

Mr. Vance: With China?

Ambassador Huang: Yes, it lasted 4 days, and I had to return yesterday.

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The Secretary: Did you cut it short because of this lunch?

Ambassador Huang: Not particularly. I had previously arranged it this way, and we also took account of this meeting. We did cut short the program because originally Ambassador Phillips of the US-China Trade Council did invite me to visit Atlanta and Florida, but this part has been postponed.

The Secretary: But I'm sure you can take up that invitation again.

Ambassador Huang: It was a very interesting trip because it was my first trip to the South since I came here. The people in the South were very friendly towards us. Wherever we went they were very warmhearted. Many people do wish for early normalization of relations between our two countries.

Mr. Vance: That's true.

Ambassador Huang: I still remember what Dr. Kissinger told me, that in the opening of the relations toward China by former President Nixon, this step was supported by the two parties.

The Secretary/Mr. Vance: Yes, that is true.

The Secretary: I have also made this point to our Chinese friends.

Ambassador Huang: It will be four years this coming May since I came here. During this period I did experience through contact with your leaders, the Congressional leaders of both parties, the Congress and the Senate, and also government officials and common people -- all this proved what Mr. Kissinger said.

The Secretary: Frankly, when I went to China on the secret trip, I was more worried about the reaction in the Republican Party than in the Democratic Party.

Mr. Vance: That's right.

The Secretary: We had Governor Reagan sitting only fifty miles away from us.

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Ambassador Huang: Fifty miles?

The Secretary: I went from China to Pakistan to Paris to San Clemente, and Governor Reagan was in Los Angeles.

Ambassador Huang: This is fifty miles away?

The Secretary: Yes.

I remember when I met with Prime Minister Chou En-lai on my first trip. We were drafting the communique and he said that this announcement would shock the world. (to Tsien Ta-yung) Were you there? (Tsien Ta-yung nods yes.)

Ambassador Huang: (nodding agreement) Chairman Mao also said that the announcement would shock the world and, Doctor, that your name would be well-known.

The Secretary: That's true. I had never had a press conference up to that occasion.

Mr. Vance: Is that true?

The Secretary: Yes, it was the first time on the record. It was always on background before.

Ambassador Huang: Time flies so fast since the first secret trip.

The Secretary: It has been nearly six years. I remember all the communications that came to us through Pakistan.

Mr. Vance: I remember very well reading about the trip when the story broke back here. It was a very exciting moment in history.

The Secretary: I think it was the single most exciting moment for me, that trip to China.

Mr. Vance: Of your career?

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The Secretary: And of course it was my first acquaintance with the Chinese style of diplomacy, in which I learned, as I have said publicly, that the Chinese word counts, that one can rely on what our Chinese friends say.

Mr. Vance: Yes.

Ambassador Huang: I still remember the last time when I came to meet with you, and you mentioned this particular sentence. You told us that when you said this to the reporters you made a comparison with the other side [the Soviet Union].

The Secretary: That is correct.

Ambassador Huang: We have also said many times that very frankly our experience in dealing with the Russians is, to sum up in two sentences: first, they will bully the weak and are afraid of the strong. And that their words are usually not trustworthy. (Laughter) That is why you should never be weak. If you are weak, soft, the Polar Bear wants to get you.

The Secretary: My impression is that when you have a Secretary of State who used to be the Deputy Secretary of Defense you have someone who has an understanding of the reality of power.

Mr. Vance: That's true. I think I understand the reality of power.

The Secretary: You know I nominated Mr. Vance for this position six months before he got it. (Mr. Lord commented that he managed to get it anyway.) I was at a meeting of the Board of Time Magazine six months before. They asked me whom I would like to see as Secretary of State if Mr. Carter won, a contingency I was trying my best to avoid, and I said "Mr. Vance."

Mr. Vance: You see, he really is a Chairman.

[The Secretary then rose to make a toast.]

The Secretary: Mr. Ambassador, since this is the last occasion for me to host you officially, I would like to use this occasion to say and to drink to: lasting friendship between our two peoples, the continued improvement of our relations, and the achievement of the great goals we set ourselves in the world and in the

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normalization of our relationship.

Ambassador Huang: I would like to toast to friendship between the Chinese people and the American people.

The Secretary: My successor will have my full support in pursuing this policy.

Mr. Vance: Thank you, Henry.

Ambassador Huang: You are quite old friends.

Mr. Vance: Yes, old friends.

The Secretary: I may even talk to Walter Cronkite about him. (Laughter)

[There was then some small talk between the Secretary and Mr. Vance about CBS and Mr. Paley.]

Ambassador Huang: Since you have been Secretary of State so long it takes you a long time to brief your successor about your experiences.

The Secretary: You know, Mr. Vance has wide experience in foreign policy so he doesn't need briefing on fundamental issues. And we have been meeting very frequently since he was appointed.

Mr. Vance: Yes, we have.

The Secretary: Several times a week.

Ambassador Huang: So we believe that our views on major policy issues in international affairs, our policy line and view on international issues and the world situation, you have of course already briefed to Mr. Vance.

The Secretary: You can be confident that I have discussed fully your views on international affairs, and you know it is a matter close to my heart. As you know, Mr. Habib, who was a close collaborator of mine, is staying on as a close collaborator of the new Secretary.

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Ambassador Huang: For example, our leaders talk to you continually about our view on the United States-Soviet relationship, and our view is that the United States has vested interests to protect around the world, and the Soviet Union seeks expansionism. This is an objective phenomenon which is unalterable. For instance our view on Soviet policy is that their policy is to make a feint toward the East while attacking the West.

The Secretary: I have also told the Ambassador that this may be true, but to us it makes no difference how the world equilibrium is overturned. We must be concerned with both Europe and Asia.

Mr. Vance: Yes.

Ambassador Huang: (after discussion among the Chinese) We also know your view.

The Secretary: I don't deny that it could happen that way. As you know from our campaign, the President-elect is very dedicated to strengthening the relationship between the United States and Western Europe, and building up the strength there.

Mr. Vance: (to the Secretary) I might say a word on that.

Perhaps I might say a word on that. During the campaign, as Henry indicated, the President-elect said on several occasions that one of the cardinal principles of the foreign policy of the Carter government would be not only strengthening the political relationship of the United States and the countries of Western Europe but also to strengthen our NATO forces -- not necessarily by adding other forces, but by reviewing equipment and making sure that the most modern weapons were in the hands of the troops; that deployments were most strategically located; that the reserves were fully and adequately trained; and that we would have the capacity to move those forces very rapidly from the United States to Europe in the event of any conflict. I would anticipate that sometime during the first year there will be a review of NATO forces to make sure that they are adequately and properly equipped and any changes that need to

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be made will be made. Although no final decisions have been made, of course, I would anticipate that the new forces of the United States would also be strong. (Discussion among the Chinese) You may have noticed, Mr. Ambassador, that the Navy has had the foresight to place in the White House four of the five last Presidents. (Mr. Vance and the Secretary discussed the names.)

The Secretary: Actually the last five.

Mr. Vance: A monopoly.

Ambassador Huang: I think what Mr. Vance mentioned about the review and NATO forces is really very important. As we talked to Dr. Kissinger before, the Western European nations are too weak, too soft, so we should encourage them to unite and strengthen their forces. As we know, Europe is in need of the United States and vice versa. So that's why we hope you will strengthen your equal partnership.

We also hope -- another very important thing to take care -- we hope that the Munich thinking in Western Europe should be decreased, because this kind of thinking may lull vigilance and demoralize the peoples' fighting will. If the situation is like this, the forces will have no fighting morale.

The Secretary: Well the internal situation in Europe is complicated.

Well, Mr. Ambassador, you will be dealing with my friend, Mr. Vance, in the future. I'm glad you did us the honor of visiting us.

Ambassador Huang: But our friendship will remain in the years ahead.

The Secretary: I count on it.

Ambassador Huang: You have many friends in China still.

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The Secretary: I treasure them very much.

Ambassador Huang: I appreciate very much today your arranging this meeting and letting me have the opportunity to meet your successor, Mr. Vance.

Mr. Vance: Thank you. I look forward very much to continuing in my predecessor's footsteps.

Ambassador Huang: Welcome.

[The two sides then got up from the table. On the way out Ambassador Huang and the Secretary exchanged cordial farewells, including greetings to Mrs. Kissinger and the mutual affirmation that they would stay in touch. Mr. Vance expressed to the Ambassador his pleasure at meeting him and his intention to stay in touch. Mr. Lord then escorted the Chinese officials to the Diplomatic Entrance of the State Department.)